

House International Relations and Economic Development Committee
86th Texas Legislature
Interim Charge 1 Request for Information: SB 753

Response from Texas Workforce Commission

Interim Charge 1: Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 86th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure intended legislative outcome of all legislation, including the following:

SB 753, which relates to wage requirements for certain community rehabilitation programs employing people with disabilities. Examine the process by which state agencies collaborate, plan, and implement strategies to assist community rehabilitation programs in creating a minimum wage plan. Monitor the process and circumstances that allow for certain community rehabilitation programs to be exempted from the minimum wage plan requirements.

The Purchase from People with Disabilities (PPD) Program was implemented in 1978 by the Texas Legislature to enhance the lives of people with disabilities by offering opportunities for employment. The program provides products or services produced or provided by individuals with disabilities employed by Community Rehabilitation Programs (CRPs). The products and services are purchased by city, county, state or schools and political subdivisions. TWC contracts with a Central Nonprofit Agency (CNA) to administer the day-to-day operations of the program. As of May 29, 2020, 105 CRPs and 4,850 individuals with disabilities were served through the Program, resulting in their receiving \$33.78 million in wages and \$3.52 million in mandatory and non-mandatory benefits.

Senate Bill 753 addressed concerns of wage requirements for certain community rehabilitation programs employing people with disabilities. The Texas Workforce Commission (TWC) and WorkQuest, the CNA for PPD, have worked together to educate the CRPs participating in the PPD program about the purpose and provisions of SB 753. As a result, the number of PPD CRPs paying subminimum wage to employees with disabilities who are working to produce PPD products and services has decreased from seven CRPs paying 222 employees subminimum wages in February 2019 to two CRPs paying 85 employees subminimum wages, as of August 16, 2020. Although minimum wage compliance is not required by statute until September 1, 2022, voluntary compliance by CRPs has been substantial. The two remaining CRPs are working through remaining challenges to achieve compliance. The PPD program, along with the program CAN, will continue to assist the CRPs in achieving their goals.

In August 2020, the TWC PPD program also issued interim guidance to further assist CRPs with meeting all requirements of SB 753. TWC PPD staff will continue to work directly with the two remaining CRPs paying subminimum wage to provide additional, individualized assistance to ensure their compliance with minimum wage requirements, training and retention plans, and all other SB 753 requirements.

TWC has also begun the rulemaking process for amending Chapter 806 of the Texas Administrative Code, Purchase of Products and Services from People with Disabilities, to include all requirements under SB 753 and additional operational improvements. Work with CRPs to date has informed the development of the proposed rules. Additionally, in July 2020, TWC solicited public comment on a policy

concept that discussed the key elements and considerations that will be incorporated into the proposed rules, which are scheduled for Commission consideration in October. Final rule adoption is anticipated in early 2021.